

**Central Susquehanna Intermediate Unit
PO Box 213
Lewisburg, PA 17837**

April 4, 2002

**Before the Federal Communications Commission
Washington, DC 20554**

In the Matter of:)	
)	
Schools and Libraries Universal)	CC Docket No. 02-6
Service Support Mechanism)	

**COMMENTS SUBMITTED BY THE
CENTRAL SUSQUEHANNA INTERMEDIATE UNIT**

INTRODUCTION

On behalf of the Central Susquehanna Intermediate Unit, we would like to thank the Commission for the opportunity to comment on the proposed changes to the E-rate program as well as for inviting comments on other issues concerning this program.

The Central Susquehanna Intermediate Unit is an Educational Service Agency that provides services to school districts in Central Pennsylvania and has provided E-Rate assistance to numerous school districts since the first year of this program.

There have been many improvements to this program that have helped make this program more applicant friendly. These improvements include:

- Allowing applicants to complete 470 and 471 on-line and permitting electronic signatures;
- Allowing schools to change SPIN providers more easily;
- Allowing applicants to view the status of their 471 applications;
- Enabling the functionality of the 471 to copy Block 4's from previous years;
- Posting SPIN numbers and contact information to the SLD website.

These improvements have made a significant improvement to the E-rate program and we thank both the Commission and the SLD for their efforts.

COMMENTS

1) Eligible Services/Product List and On-line submission of Item 21 Attachments

The eligible service list is very large and difficult for most E-rate applicants to understand. Since many different types of services are listed as conditional, applicants with a non-technical background usually do not complete their applications correctly, or are contacted by the SLD for additional information. Applicants are not reluctant to submit this information, they just do not know what to submit and must rely on invoices or service providers for that information.

If the Eligible Services/Products List were combined with an on-line Item 21 attachment feature, applicants could select the services they are requesting discounts on, and be prompted for the correct required information for this application. For example, an applicant wishing to select T1 Internet Service could simply select Internet Service from a drop-down menu and be prompted for speed of connection, line charges, equipment charges, content filtering included, etc. using information from their monthly invoice or their service provider.

Also helpful would be a pre-application survey or checklist which could be downloaded for applicants to gather the correct information prior to applying on-line. These features would help streamline the application process as well as ensure consistent and quality data for the SLD staff to review.

2) Eligibility of privately-owned Wide Area Networks

Establishing Wide Area Networks in rural areas is very difficult and cost-prohibitive for most applicants without E-rate discounts. Most applicants secure high-speed Internet Access from a provider and distribute it from a single location via a WAN because it is the most cost-effective. Many areas simply lack service provider options or availability of fiber to create high-bandwidth connectivity between their buildings, and must lease or install their own fiber network.

Because of their rural location, the cost for building these private networks is much higher than in a populated area. In many cases, applicants include the “build-out” charges as part of a building project, or float 10 and 20-year bonds to pay for this infrastructure.

Also in Pennsylvania, LATA's (Local Area Transport Areas) are established, and applicants that have buildings located across these imaginary boundaries find it very difficult and more expensive to lease WAN services from a telecommunications provider.

We recommend that private-fiber networks be eligible from non-telecommunications providers only in areas that are rural, where limited public infrastructure already exists. Individual consideration should be given to applicants who are located near LATA's or have similar restrictions and can provide evidence through a bidding process or proposal that the cost of public infrastructure is more expensive than building or leasing their own.

Since some school districts may already have WAN leases in place, any existing agreements should be grandfathered under any new guidelines that are established.

3) Eligibility of Bundled Content

We recommend that content remain an ineligible cost. Bundling content with Internet Access will only create more confusion for applicants and would benefit the software providers more than the applicants.

Most software content is very multi-media rich and the delivery of this content via the Internet to large groups would not be reliable or suitable for group instructional purposes, unless the applicant had unlimited Internet bandwidth in place, which would not be cost-effective.

Our experience has shown that most applicants already have established their own email, web and software servers in place and distribute this content to their remote buildings via their WAN.

4) Discounts or Reimbursement

We recommend that any decision for discounts versus reimbursement be made by the applicant. Currently there is no consistency in the way service providers handle E-rate discounts. Some service providers have provided discounts one year and require reimbursement the following.

Most applicants would prefer a discounted bill, because it insures that they are getting their discount, and eliminates the need to use the BEAR reimbursement process. In locations where there have been staff-turnover, the BEAR form may never get completed and as a result the applicant never applies for the approved discount funding. In one situation, the applicant submitted a BEAR form, the service provider sent a check to the applicant, but it was never received. If this applicant had not pursued this discount with the service provider, the applicant would probably have never received these funds.

5) Restrictions on Internal Connections

We support restricting applicants from receiving discounts on Internal Connections for three years, for the following reasons:

Permitting high-discount applicants to continually purchase internal connections year after year, provides them an incentive to purchase new equipment year after year, irregardless of the age or state of any existing equipment. Since the average lifespan of network equipment is usually 3 to 5 years, this equipment should not require replacement or upgrades on an annual basis. Consultants and vendors target high-discount applicants and encourage them to apply for new equipment because "it's too good of a deal to pass up on".

Ironically many of the same items applicants are replacing each year, would benefit some of the lower-discounted applicants. Our recommendation would be to prorate Internal Connection requests, or allow high-discount applicants to apply for Internal Connections for new equipment every 3 years, thus freeing up more funding for lower discounted applicants. Some high-discount applicants may have entered into maintenance agreements that should be considered before any decision is made.

ADDITIONAL COMMENTS

While not specifically addressed in the NPRM, we would like to provide comment on the following additional issues that we believe would improve this program.

Elimination of the Form 470

Currently the Form 470 is primarily an exercise in paper for many applicants. Most applicants are required to bid these services locally and rarely receive any timely response from service providers as a result of their 470 application. In some rural areas, there is only a single provider available and in many cases that provider does not even respond to a local bid. As a result the applicant submits their discount request using month to month pricing, on their Form 471. Allowing applicants to provide proof of a local bid request for services would help streamline this process.

Respectfully submitted,

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